

1 MR. SEEGULL: If you're going to ask him
2 does the company have an ethics policy, I don't think
3 that's disputed, if that's all this is about.

4 MR. WILSON: I'm going to ask him if it has
5 the ethics policy, I'm going to ask him if he's familiar
6 with it, then I'm just going to ask him about certain
7 little portions there on Miller 151.

8 MR. SEEGULL: Let me just see if I can cut
9 to the chase, because the document speaks for itself.
10 What is it you intend to ask him, his opinion about
11 things?

12 MR. WILSON: Yes.

13 MR. SEEGULL: How is that relevant? He's
14 not an expert witness.

15 MR. WILSON: I just want to get his opinion
16 on --

17 MR. SEEGULL: But he's not an expert
18 witness.

19 MR. WILSON: I'm not saying he is.

20 MR. SEEGULL: What value is his opinion on
21 any of this?

22 MR. WILSON: I think it's of value to me to
23 determine whether this violates the ethics policy.

24 MR. SEEGULL: Why don't you just ask him



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1 that. Ask him that question instead of refaxing another
2 document and making copies and everything. If your
3 overall question is does he think whether or not the
4 changes made to the AMIP was a violation of the ethics
5 policy of the company, I guess he could give his opinion
6 on that. Is that what you want?

7 MR. WILSON: Yes.

8 MR. SEEGULL: Go ahead and ask the question
9 and then he will be able to answer it.

10 MR. WILSON: Does he have the document in
11 front of him?

12 MR. SEEGULL: No. You can just ask him
13 that question.

14 MR. WILSON: I'd rather him look at the
15 document.

16 MR. SEEGULL: All right. So refax the
17 policy.

18 MR. WILSON: Okay.

19 MR. SEEGULL: Or pdf it to me I should say.

20 MR. WILSON: Do you want to take a quick
21 break?

22 MR. SEEGULL: Do you have anything else or
23 is this the end of it?

24 MR. WILSON: I have more.



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1 MR. SEEGULL: Why don't we do what we can.

2 You pdf it in the meantime.

3 MR. WILSON: Okay. I've got to go out here
4 and give it to my paralegal.

5 MR. SEEGULL: Okay. Tim, I'm just trying
6 to expedite things. That's fine if you want to pdf me
7 the document.

8 MR. WILSON: She's working on it right now.

9 MR. SEEGULL: We should take a break within
10 the next 15 minutes if we can.

11 MR. WILSON: Do you want to take a break
12 now?

13 MR. SEEGULL: Let's take a break now.

14 (A recess was taken.)

15 (Owen Deposition Exhibit No. 3 was marked
16 for identification.)

17 BY MR. WILSON:

18 Q. Mr. Owen, you have been handed what's been
19 marked Owen 3. Have you had time to review this
20 document?

21 A. Yes.

22 Q. What is this document?

23 A. It's the CSC Code of Ethics and Standards of
24 Conduct.



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1 Q. Before we go any further, did you have any
2 conversations regarding your testimony with your
3 attorneys while we were off the record?

4 A. No. Actually we discovered we're both Michigan
5 State grads and talked about our football and basketball
6 heritage.

7 Q. Good enough.

8 MR. SEEGULL: He was there when Magic
9 Johnson was there.

10 MR. WILSON: Is that right?

11 MR. SEEGULL: That was curious to me.

12 MR. WILSON: What a good time to be there.
13 That was about the time Kurt Gibson was playing football
14 for them too, I think.

15 THE WITNESS: That's right. And we won the
16 hockey championship, as well. We never had a year like
17 that since.

18 BY MR. WILSON:

19 Q. Mr. Owen, did you participate in drafting this
20 Code of Ethics?

21 A. No, I did not.

22 Q. Did you have any input at all?

23 A. No.

24 Q. You are familiar with it, correct?

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1 A. Yes. There's a test that they run for all
2 managers that's electronic via e-mail where we run
3 through a series of questions, ethics questions, and we
4 respond to them and get scored and coached and corrected
5 as appropriate. It's a very strong policy of CSC's.

6 Q. Is this ethics policy reviewed with all CSC
7 employees every year?

8 A. I'm not sure what you mean by "reviewed." It
9 is made available to them and there are annual reminders
10 to adhere to it, that it is our policy, and to go find it
11 and read it. And for managers, senior managers, there
12 is, as I said, an automated e-mail test that you must go
13 through and they keep score at headquarters about whether
14 or not you have completed yours. They push for very high
15 levels of compliance.

16 Q. I'd like to refer you to the page that's marked
17 Miller 151 on the bottom.

18 A. Yes.

19 Q. Are you there yet?

20 A. Yes, I am.

21 Q. At the very top of this page, it states:
22 "Providing a Proper and Professional Work Environment."
23 And then it goes on: "You must use fairness, honesty,
24 and comply with the law in all business relationships

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1 with CSC stockholders, customers, suppliers, employees,
2 and applicants, as well as with local, national and
3 international communities and governments."

4 Is that what it says?

5 A. Yes.

6 Q. Then in the next paragraph it says, "You must
7 not take unfair advantage of anyone through manipulation,
8 concealment, abuse of privileged information,
9 misrepresentation of material facts or any other unfair
10 dealing practice."

11 Is that what that says?

12 A. Yes.

13 Q. When discussions began to remove individuals
14 from the AMIP program, to your knowledge, did anybody
15 raise any concern that this action might violate the CSC
16 ethics policy?

17 A. No.

18 Q. Do you believe the retroactive removal of these
19 individuals violated the ethics policy?

20 MR. SEEGULL: Objection to
21 characterization.

22 A. You have to understand, I don't believe it to
23 be retroactive.

24 Q. Do you believe that the removal of these

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1 individuals in September of 2003 with the effective date
2 being April 1st, 2003, violated the ethics policy?

3 A. No, I do not.

4 Q. Can you explain why you believe that's an
5 ethical course of action to take?

6 A. Well, I believe that the process that was
7 followed was fair and unbiased and used a lot of input
8 from affected management. I believe it was in the
9 context of an array of very difficult actions, and from
10 my way of looking at it, it was a very humane balance
11 between spreading pain across the organization and
12 helping the organization to survive.

13 In my experience with CSC since 1992,
14 there's such a behavioral or a cultural understanding of
15 how this program is run, people will time their
16 retirements, will time their job and assignment changes
17 to occur after the end of the fiscal year because of the
18 eligibility rules around AMIP. And I think that most
19 people wait for their bonus payments before they retire.
20 Most people wait for their bonus payments before they
21 change jobs. And there was not any intent to communicate
22 to the employees that this was a pay-as-you-go type of a
23 program.

24 Some of our employees come from other



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1 employment background such as DuPont or General Dynamics
2 or others and I think sometimes they transpose the rules
3 from their prior engagements to their current ones.

4 But from our perspective, CSC, for all the
5 years I have been a manager at CSC, from director up
6 through group president, we have always understood that,
7 until we have an executed plan and targets to shoot for,
8 we're not in the program and we must be on the payroll
9 and have that plan agreed at the end of the year to get
10 paid.

11 And I would go so far as to say it's my
12 understanding that it's almost entirely discretionary and
13 my boss can alter my compensation based on factors that
14 may or may not be in the plan.

15 So from my perspective, I didn't see this
16 as being unethical in any way.

17 Q. You said that you're not in the plan until you
18 get your worksheet and your objectives. Is that correct?

19 A. And you have executed them. Yes.

20 Q. Was this communicated to your employees?

21 A. I wouldn't know. I don't know. I know that we
22 have always had the practice of communicating the
23 worksheets and getting them signed off. And the reason I
24 know that is that that's also the vehicle on which

1 they're paid and you can't make a payment unless you have
2 got those in finance to do the calculations.

3 Q. So it's your testimony that it was fair to
4 eliminate these people from the program the way that it
5 was done?

6 A. I believe so, yes.

7 Q. Let me just look through this document real
8 quick to see if I have any other questions.

9 I think that's it for that document, Larry.

10 MR. SEEGULL: We're putting it away.

11 BY MR. WILSON:

12 Q. What was the process used to notify the people
13 who would be impacted by this decision to remove them
14 from the AMIP program?

15 A. I believe there were -- after that working
16 group I referenced earlier came up with the appropriate
17 rules and they were all signed off by the three
18 presidents, I believe there were briefing presentations
19 prepared by HR for all three divisions and that
20 supervisors went out and gave those presentations to the
21 employees.

22 Q. Do you know what was discussed at the
23 presentations?

24 A. I do not. I just know -- I did see a copy of



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1 the presentation and went over the content of it with Gus
2 before that was disseminated. I was not present at any
3 of the presentations.

4 Q. For fiscal year 2003, the AMIP bonus contained
5 no personal or group objectives, did it?

6 A. I'm sorry. I'm not sure what you're referring
7 to. Could you rephrase, please?

8 Q. I'll try to, yes.

9 In fiscal year 2003, the only objectives
10 that the AMIP was based upon were corporate and
11 financial, correct?

12 A. That wouldn't be my recollection, no. Each
13 employee would have some personal objectives on their
14 worksheet, as well. It depends on your seniority. At
15 the very senior levels, it would have been primarily
16 financially oriented. At the lower level, it would be
17 more individual and group objectives. Now, the
18 individual objectives may have been financial in nature,
19 if that's what you're saying.

20 MR. WILSON: Larry, I'd like him to look at
21 document F.

22 MR. SEEGULL: F, as in Frank?

23 MR. WILSON: Yes.

24 MR. SEEGULL: That's the one that is



1 D-10615 through D-10618?

2 MR. WILSON: Yes. This is Owen 4.

3 (Owen Deposition Exhibit No. 4 was marked
4 for identification.)

5 MR. SEEGULL: I put it in front of him and
6 he's reading it now.

7 MR. WILSON: Let me know when you're done,
8 Mr. Owen.

9 THE WITNESS: Yes, I will.

10 Okay.

11 BY MR. WILSON:

12 Q. This is an e-mail from Henry Leidemer?

13 A. That's Henry Leidemer, or Marty Leidemer. He
14 was my CFO.

15 Q. You were carbon-copied on this e-mail, correct?

16 A. Right.

17 Q. On the third line of this e-mail, they mention
18 measurable key result areas, KRAs.

19 A. Yes.

20 Q. Can you explain to me what a KRA is?

21 A. It can be a variety of things, but typically in
22 a management objective environment there are key result
23 areas set as either financial achievement or specific
24 project achievement or winning of business, things of



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1 that nature. So every area has its own key result areas.
2 Sometimes those are bound into the AMIP program.
3 Sometimes they're just put out as general employee
4 objectives.

5 So when I ran Chemical Group or GIS, for
6 example, I would give presentations saying these are our
7 key objectives for my group, and presumably, all the way
8 down to the lower level of management, each group had set
9 key objectives for themselves.

10 Q. So the KRAs are objectives, correct?

11 A. I'm not sure what you mean by the question.
12 They're targets or areas of the business that targets are
13 set for.

14 Q. But you just referred to them as objectives
15 several times. Are they objectives?

16 A. I'm not sure of the meaning of that specific
17 definition. I used the word "objective."

18 Q. Are they similar to the AMIP objectives or the
19 AMIP targets?

20 A. I would say in some cases they are the same.
21 In some cases they're different. But I use the word
22 "objective" or "key results" or "targets"
23 interchangeably.

24 Q. A couple lines down, the next-to-the-last line



1 starts with "However." States: "However, by definition,
2 the discretionary bonus is not an entitlement."

3 A. Right.

4 Q. Is that what that says?

5 A. Yes, it is.

6 Q. Does this imply that a bonus program that's
7 based upon KRAs or other similar objectives or targets is
8 an entitlement program?

9 A. I wouldn't read it that way. I would read this
10 as Marty reinforcing the point that the discretionary
11 program is not an entitlement and people who give the
12 briefing should be very clear in that.

13 It looks to me from the context that my CFO
14 was reviewing the draft documents from John Walker, who
15 worked for Gus Siekierka and was responsible for
16 compensation, to make sure that he had the appropriate
17 wording in the document.

18 Q. I'm just curious as to why there was this whole
19 discussion of KRAs and then all of a sudden it says it's
20 not an entitlement. It's not even delineated as a
21 separate paragraph.

22 MR. SEEGULL: Are you asking him to read
23 into Marty Leidemer's head what Marty was thinking?

24 MR. WILSON: No. I'm asking him based upon



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1 his understanding of receiving this e-mail whether he was
2 referring to these bonus programs for the KRAs as being
3 an entitlement program.

4 MR. SEEGULL: He wasn't the one doing the
5 referring.

6 MR. WILSON: I'm asking him based on his
7 understanding.

8 MR. SEEGULL: You're asking him what
9 Marty Leidemer was referring to, his understanding of
10 what Marty Leidemer was referring to?

11 MR. WILSON: Yes.

12 MR. SEEGULL: If you can answer, go ahead.

13 A. In the context of the discussion, I read this,
14 as I believe I did originally, that he was reinforcing
15 the point. I don't think Marty was intending to imply
16 that he was enforcing the point on this one, because it
17 was different than all the others. I think he was just
18 reinforcing the point knowing Marty as I do.

19 Q. Can you give me an example of what is an
20 entitlement program at CSC?

21 A. Salary I think is what I would call an
22 entitlement program. If your terms and conditions
23 include a salary and it's pensionable and things like
24 that, that you have a higher level of entitlement to



1 that. Not that it can't be changed, but I think it has
2 to be dealt with differently than incentive programs,
3 which are largely discretionary.

4 Q. So whether or not the salary is pensionable is
5 a key aspect to whether it's an entitlement or not?

6 A. I don't know that that's the test. I was
7 raising that in that it is something that we would handle
8 a lot more carefully and a lot more -- in my view, that's
9 closer to an employment contract than something that is
10 discretionary, at the manager's discretion. So I would
11 think that employees are -- they're entitled to their
12 vacation, they're entitled to their sick time, they're
13 entitled to their salary for work performed through the
14 year.

15 Q. But what does whether it's pensionable or not
16 have anything to do with it?

17 MR. SEEGULL: I'm going to object. Calling
18 for a legal conclusion. This witness is not a lawyer.

19 MR. WILSON: Larry, he testified that it
20 was pensionable and that was something that was
21 significant to him. I'm just trying to find out why it's
22 significant.

23 MR. SEEGULL: I'm going to object. You're
24 calling for a legal conclusion what the difference is



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1 between a pensionable --

2 MR. WILSON: I'm not calling for a legal
3 conclusion. I'm asking based upon his understanding why
4 he made that statement.

5 MR. SEEGULL: Tim, just let me finish.
6 You're calling for a legal conclusion. You're asking him
7 to distinguish between pensionable earnings and
8 nonpensionable earnings. You're asking him to explain
9 what is meant by an entitlement versus a nonentitlement
10 program. These are legal terms that you're asking him to
11 explain. He is not a lawyer. He's not being offered to
12 give a legal conclusion or legal opinion.

13 Why don't you ask about his personal
14 knowledge and let's move on. We're almost close to two
15 hours. Let's just focus on his personal knowledge and
16 what he knows and doesn't know.

17 MR. WILSON: I'd like to focus on this for
18 a little bit because he brought it up. I'd like to know
19 why it's significant to him that it's pensionable.

20 MR. SEEGULL: You can ask him is it
21 significant.

22 MR. WILSON: Obviously it is because it was
23 one of the two criteria that he brought up.

24 MR. SEEGULL: Are you testifying, or do you

1 want him to testify?

2 MR. WILSON: I'm asking him to testify, and
3 if you let him testify, we can get through it.

4 MR. SEEGULL: Why don't you ask him whether
5 or not --

6 MR. WILSON: I'll ask him how I want to ask
7 him.

8 MR. SEEGULL: Let's move it along. This is
9 a busy executive.

10 MR. WILSON: Then let's move it along.

11 MR. SEEGULL: Good. Let's go.

12 THE WITNESS: I'm sorry. Would you ask me
13 the question again.

14 MR. WILSON: Could you read the question
15 again?

16 (The reporter read back as instructed.)

17 THE WITNESS: I raise that as an instance.
18 I wasn't raising it as a test, Tim. I feel like I would
19 make the distinction between things employees are
20 entitled to by law, and, again, this is my opinion as an
21 executive, from things that are discretionary rewards
22 that are provided by the company and they're down to the
23 judgment and discretion of the management team. That was
24 the purpose for my raising that. I wasn't meaning to



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1 imply that that is a litmus test.

2 BY MR. WILSON:

3 Q. Do you have any recollection as to what
4 the percent payout for the Chemical Group for fiscal year
5 2004 was?

6 A. No, I really don't off the top of my head.

7 MR. WILSON: I'm almost done here. Let me
8 just look at a couple things real quick.

9 Larry, I'd like for him to look at
10 document I. It's D-10246 at the bottom.

11 MR. SEEGULL: It's one page?

12 MR. WILSON: Yes.

13 MR. SEEGULL: This will be 5?

14 MR. WILSON: Yes.

15 (Owen Deposition Exhibit No. 5 was marked
16 for identification.)

17 THE WITNESS: Okay.

18 BY MR. WILSON:

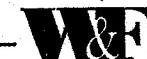
19 Q. Can you look at that?

20 A. Yes.

21 Q. Have you read it?

22 A. Yes. Both lines.

23 Q. This is an e-mail correspondence drafted by
24 you, correct?



1 A. That's correct. I sent this e-mail to
2 John Walker.

3 Q. Can you tell me what an RACI test is?

4 A. I wish I could remember what the acronym stands
5 for. I think it's Responsibility Authority Control and
6 Influence. But I could have that incorrect.

7 What I was referring to, you may recall
8 from earlier in my testimony, that, as I was reviewing
9 the fairness of this process, I pointed out to Gus and
10 Bancroft that you might have people who were operating
11 with responsibilities above what their job title would
12 imply and we should make an exception for them.

13 So this was actually the e-mail documenting
14 that thought. I said, "It seems to me we may have people
15 who ought to be directors skewing the mix." In other
16 words, not being treated fairly in the matrix. I
17 suggested that the team, when they went back to work,
18 view the responsibility, authority, and control level of
19 the people that they put in the matrix in terms of
20 eligibility for AMIP, not just go by job title. And it
21 was actually as a result of this e-mail that they put the
22 rules in their final version that said they would make
23 exceptions for senior managers.

24 Q. So this was implemented?



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1 A. I believe so, because I saw it in the -- I saw
2 it in some of the earlier discussion.

3 MR. WILSON: That's all I have for you
4 right now, Mr. Owen. I appreciate you taking the time.

5 MR. SEEGULL: Tim, let him finish his
6 answer.

7 THE WITNESS: Let me just clarify. I was
8 making a suggestion to the team to do this fairly. When
9 you said this was implemented, I didn't mean to imply
10 that they ran a RACI test on every application and every
11 job title. I made that a suggestion that they use that
12 in addition to assessing the job title.

13 MR. WILSON: Okay. That's all I have for
14 right now. Mr. Seegull or Mr. Raimo may have some
15 questions for you.

16 BY MR. SEEGULL:

17 Q. I have got a few questions.

18 Mr. Owen, I think it's clear from your
19 testimony, but I want to make sure that it is. There was
20 some question about how do you know when AMIP is earned,
21 and you had mentioned something about being on the
22 payroll at the end of the year, assuming you were on the
23 payroll at the end of the year.

24 What did you mean by all of that?



1 A. Well, you execute a worksheet that says that
2 you and your supervisor have agreed to the objectives
3 that you will hit, the things you will do to go earn your
4 AMIP, and that has to be executed and you're in the
5 program. Given that you're in the program at the end of
6 the year, that's when the calculation is actually done.
7 And the reason for that is there are many factors that
8 involve the accomplishment or not of the AMIP that are
9 really unknown until the end of the year, and you really
10 need to have all the information at the end, generally in
11 the May time frame, to know whether an objective has been
12 hit.

13 Q. You had said you have to be on the payroll at
14 the end of the year. Did you mean you have to be on the
15 AMIP plan at the end of the year, as well?

16 A. It's both. You have to have an active plan and
17 be in the employ of the company, and this is why I
18 mentioned that many people alter their behavior to their
19 kinds of job changes, retirements, or resigning after the
20 AMIP payout in May.

21 Q. Does that mean that AMIP is not earned -- let's
22 say somebody is removed during the middle of the year.
23 Is AMIP earned at that point in time?

24 A. It is my belief that it is not.



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1 Q. Why is that?

2 A. Again, there are usually factors at the end of
3 the year, for example, to calculate your financials. The
4 performance throughout the year is not -- even a good
5 quarter is not an indication of the year. There are many
6 things that have to be done and completed to do the
7 calculation at the end of the year, and there's really no
8 logical way -- you could make inferences on some
9 variables, but there's no concrete, logical way that you
10 could wind up having accomplished it with a proration
11 methodology.

12 Q. Is the reason that AMIP is not an entitlement
13 because it's a bonus that depends upon performance at the
14 end of the year?

15 A. I believe that's correct, yes. To me the word
16 "bonus" implies discretionary to me. It may not to all
17 people, but I believe it does. And it is not earned
18 until the end of the year and it's a way -- if the
19 corporation at the end of the year does well, it's a way
20 that success is shared with the key contributors.

21 Q. One moment, please.

22 MR. SEEGULL: I have nothing further.

23 BY MR. WILSON:

24 Q. I just have a couple very quick follow-ups.

1 You just testified that it would be
2 difficult to make inferences for the proration
3 methodology to give the bonus to somebody who was not a
4 participant at the close of the fiscal year.

5 My question to you is: Then how is it done
6 for those who join the AMIP program in mid-year and are
7 members of the program at the end of the year?

8 A. Well, I think there's an algorithm that's used
9 where, if the employee joins in the middle of the year
10 and finishes out the year, they will be there to meet the
11 two tests. And there's not a proration of
12 accomplishment. There's a proration of their salary
13 that's available for the test to be applied to.

14 Q. But couldn't the same thing be done for
15 somebody removed midyear?

16 A. Theoretically, except they didn't pass the test
17 of being in the program and I guess they didn't pass the
18 two tests.

19 Q. Are you aware of anybody who was removed from
20 the AMIP program in midyear and continued to work for CSC
21 and still received their AMIP bonus at the end of that
22 fiscal year?

23 A. No, I'm not.

24 MR. WILSON: I have nothing further.

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1 MR. SEEGULL: We have nothing further, as
2 well. The next deposition is set to go at 2:00?
3

4 MR. WILSON: Right.
5

6 (Deposition concluded at 11:50 a.m.)
7

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8 E X H I B I T S
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10 OWEN DEPOSITION EXHIBIT NO.	MARKED
11	
12 1 - A three-page document Bates numbered	
13 D-10451 through D-10453.....	24
14	
15 2 - A two-page document Bates numbered	
16 D-10241 and D-10242.....	33
17 3 - A multi-page document entitled, "Code	
18 of Ethics and Standards of Conduct".....	46
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20 4 - A four-page document Bates numbered	
21 D-10605 through D-10608.....	54
22 5 - A document Bates numbered D-10246.....	61
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REPLACE THIS PAGE

WITH THE ERRATA SHEET

AFTER IT HAS BEEN

COMPLETED AND SIGNED

BY THE DEPONENT



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CERTIFICATE OF REPORTER

STATE OF DELAWARE)

)

NEW CASTLE COUNTY)

I, Kimberly A. Hurley, Registered Professional Reporter and Notary Public, do hereby certify that there came before me on the 8th day of May, 2006, the deponent herein, RUSSELL H. OWEN, who was duly sworn by me and thereafter examined by counsel for the respective parties; that the questions asked of said deponent and the answers given were taken down by me in Stenotype notes and thereafter transcribed by use of computer-aided transcription and computer printer under my direction.

I further certify that the foregoing is a true and correct transcript of the testimony given at said examination of said witness.

I further certify that I am not counsel, attorney, or relative of either party, or otherwise interested in the event of this suit.

Kimberly A. Hurley
Certification No. 126-RPR
(Expires January 31, 2008)

DATED:



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B-1153

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

BRIAN MILLER, HECTOR CALDERON,)
CHARLES FOLWELL, DAWN M.)
HAUCK, KEVIN KEIR, ASHBY)
LINCOLN, KAREN MASINO, ROBERT)
W. PETERSON, SUSAN M. POKOISKI,)
DAN P. ROLLINS, and WILLIAM)
SPERATI,)
Plaintiffs,)
v.) C.A. No. 05-10-JJF
COMPUTER SCIENCES CORPORATION,)
Defendant.)

Telephonic deposition of MARY JO MORRIS taken pursuant to notice at the law offices of Margolis Edelstein, 1509 Gilpin Avenue, Wilmington, Delaware, beginning at 2:10 p.m., on Monday, May 8, 2006, before Kimberly A. Hurley, Registered Merit Reporter and Notary Public.

APPEARANCES:

TIMOTHY J. WILSON, ESQUIRE
MARGOLIS EDELSTEIN
1509 Gilpin Avenue
Wilmington, Delaware 19806
for the Plaintiffs

LARRY R. SEEGULL, ESQUIRE (via telephone)
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1 APPEARANCES (cont'd):

2 TYLER B. RAIMO, ESQUIRE (via telephone)

3 COMPUTER SCIENCES CORPORATION

4 3170 Fairview Park Drive

5 Falls Church, Virginia 22042

6 for the Defendant

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1 MARY JO MORRIS,

2 the witness herein, having first been
3 duly sworn on oath, was examined and
4 testified as follows:

5 BY MR. WILSON:

6 Q. Good afternoon, Ms. Morris. Once again, my
7 name is Tim Wilson, and I'm the plaintiffs' attorney in
8 the case of Miller versus Computer Sciences Corporation.

9 I just want to make the record clear we're
10 conducting this deposition by telephone. Correct?

11 A. Correct.

12 Q. Where are you right now?

13 A. I am in our offices in Falls Church, Virginia.

14 Q. By "our," you mean CSC's offices?

15 A. Yes.

16 Q. Mr. Seegull is with you and Mr. Raimo is with
17 you, correct?

18 A. Correct.

19 Q. Is there anybody else there?

20 A. No.

21 Q. Do you have any forms of communication
22 available to you such as e-mail or Blackberry?

23 A. No.

24 Q. I want to go through some brief instructions



1 first before we actually start the questions and answers
2 about the case.

3 I'm going to be asking you questions
4 pertaining to the lawsuit, and when you respond, you must
5 do so verbally. Obviously this is on the telephone, so
6 the court reporter can't take down any nonverbal
7 communications.

8 As you know, your testimony is under oath,
9 so you must answer truthfully just as if you were in
10 court.

11 If you don't hear one of my questions or
12 you don't understand it, let me know and I'll try to ask
13 it in a way that you do understand and that you do hear.

14 Please let me finish asking the question
15 before you begin to answer. This is so that the
16 transcript is clear. And I will extend the same courtesy
17 to you, as well.

18 If at any time you come to realize that a
19 statement you made is incorrect or inaccurate, let me
20 know and you will be permitted to clarify the record.

21 You cannot talk or confer with your
22 attorneys during this deposition either while the
23 deposition is taking place or during breaks, and if you
24 should need a break to go to the restroom or to get a



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1 drink of water or for any other reason, just let me know
2 and we will take a break.

3 Do you understand these instructions?

4 A. Yes, sir.

5 Q. When were you born, and what is your birthday?

6 A. When was I born and -- I'm sorry.

7 Q. I'm sorry. Where were you born, and what is
8 your birth date?

9 A. I was born in San Diego, California, and my
10 birth date is July 20th, 1954.

11 Q. What is your Social Security number?

12 A. Do I have to provide that?

13 MR. SEEGULL: Do you really need it, Tim?

14 MR. WILSON: It's a means of tracking her
15 down if --

16 THE WITNESS: I just prefer not -- I have
17 been advised to keep that number very private. So I try
18 not to give it out.

19 MR. WILSON: I understand that. This
20 number isn't going to be shared with anybody. The only
21 way we would use it is if you stopped working for CSC and
22 we had to track you down to use you as a witness in a
23 case.

24 MR. SEEGULL: I think if you need to track



1 her down, we will be able to track her down.

2 MR. WILSON: Okay.

3 BY MR. WILSON:

4 Q. Can you give me your address?

5 A. I prefer not to.

6 MR. SEEGULL: Again, I think we can track
7 her down. We know where she is. She has no expectation
8 of leaving CSC.

9 MR. WILSON: I would hate for that to
10 happen, us not be able to get ahold of her to use her for
11 this case.

12 MR. SEEGULL: I don't think that's going to
13 be a problem.

14 MR. WILSON: I'll take your representation
15 that you will be able to get ahold of her.

16 MR. SEEGULL: I think I will be, yes.

17 BY MR. WILSON:

18 Q. Have you ever been arrested?

19 A. No, sir.

20 Q. Did you serve in the military?

21 A. No, sir.

22 Q. Did you go to college?

23 A. Yes.

24 Q. Where did you go?



1 A. San Diego State University and Massachusetts
2 Institute of Technology.

3 Q. Did you graduate from San Diego State?

4 A. Yes, sir.

5 Q. With a degree in what?

6 A. Two degrees. B.A. in computer science and a
7 Master's in computer science. And from MIT with a --
8 it's called -- it's essentially an M.B.A., but they call
9 it an M.S. in management.

10 Q. What years did you get those degrees?

11 A. '77, I believe, '82, and then '89.

12 Q. '77 was the B.S. in computer science?

13 A. Yes. It was a B.A., actually.

14 Q. I'm sorry. And the Master's was in '82?

15 A. Yes, sir.

16 Q. And the degree from MIT was '89?

17 A. '89.

18 Q. Did you graduate with any honors?

19 A. I don't remember.

20 Q. Any other graduate work?

21 A. No. I do remember I attended college for a
22 while at the University of California San Diego prior to
23 being at San Diego State University.

24 Q. How long did you go to school there?

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1 A. Two years.

2 Q. So freshman and sophomore year. No degree from
3 there?

4 A. No.

5 Q. Are you presently employed by CSC?

6 A. Yes, I am.

7 Q. What is your present job title?

8 A. President, Global Transformation Solutions.

9 Q. What do you do in that position?

10 A. I run a business unit for the corporation that
11 specializes in application-related services.

12 Q. How long have you held that position?

13 A. Since May 2003.

14 Q. Did you work for CSC prior to that?

15 A. Yes.

16 Q. What position did you hold then?

17 A. A variety of positions. I've worked for CSC
18 since 1991.

19 Q. What was the most recent to the president of
20 Global --

21 A. Transformation Solutions?

22 Q. Yes. Let's just go back in time.

23 A. Prior to that I was the executive in charge of
24 our relationship with AT&T Corporation, and prior to that



1 I was president of our Technology Management Group.

2 Q. What years were you the executive in charge of
3 AT&T?

4 A. That was just a year prior to this assignment.
5 So I think it was from like June or July. That would
6 have been July 2002 until May 2003.

7 Q. And the position previous to that?

8 A. Was president of the Technology Management
9 Group.

10 Q. What were the years you were in that position?

11 A. I believe it was March 2001 until July 2002.

12 Q. What about the position prior to that?

13 A. Prior to that I was president of the
14 Application Services Division.

15 Q. And the years?

16 A. You're testing me now. I think it was -- I
17 think it was 19 -- 1999 or 2000. I'd have to look at my
18 records. I'm not absolutely sure.

19 Q. Were you working for CSC in 1997?

20 A. Yes, I was.

21 Q. Do you know what you were doing that year?

22 A. I was working in some capacity related to
23 application services for CSC. I was a vice president.
24 I'm sure of that. And I was, I think, working to help



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1 build CSC's capability and application outsourcing.

2 Q. When did you begin working for CSC, what year?

3 A. 1991.

4 Q. What did you do to prepare for today's
5 deposition?

6 A. I have had two briefing sessions with the
7 lawyers here.

8 Q. When was the first one?

9 A. Prior to the cancellation which was -- I don't
10 have the date. It was a few weeks ago. You cancelled.
11 That was my understanding.

12 Q. I apologize for that.

13 A. And then 20 minutes prior to this meeting.

14 Q. The first briefing schedule, how long did that
15 last?

16 A. A couple hours.

17 Q. And the most recent one you said was just for
18 about 20 minutes?

19 A. Twenty minutes.

20 Q. Did you review any documents?

21 A. Yes.

22 Q. Do you recall what documents you reviewed?

23 A. I'd have to look at them to recall them. It
24 was a series of e-mails and some policy documents.



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1 Q. Did you review any deposition transcripts?

2 A. A small piece of one, yes.

3 Q. Do you know whose transcript that was?

4 A. Dot Eltzroth's.

5 Q. When did you review that?

6 A. Just now.

7 Q. What part of it did you review?

8 A. It was a very small piece of it. The intent
9 was just --

10 MR. SEEGULL: Don't say anything about the
11 intent. Do you remember which piece you reviewed is all
12 he's asking.

13 THE WITNESS: Actually, I don't.

14 Q. What was the subject matter, Ms. Morris?

15 A. You know, I actually don't recall. I'm
16 embarrassed about that.

17 MR. SEEGULL: No reason to be embarrassed.

18 Q. Did you talk to anybody other than your
19 attorney to prepare for this deposition?

20 A. No, sir, I did not.

21 Q. Have you had discussions with anybody about
22 this lawsuit?

23 A. No, sir.

24 Q. You haven't talked to anybody about the

1 lawsuit?

2 A. No, sir. I told a couple of people like my
3 secretary that I was going to be deposed, but that was
4 it.

5 Q. But you've had no discussions about the
6 substance of the lawsuit?

7 A. No, sir.

8 Q. What is your understanding of the lawsuit?

9 A. My understanding is that it relates to a number
10 of employees who were taken off AMIP I guess back in
11 2003.

12 Q. Do you understand that their complaint is that
13 they were taken off at a point in time that was prior to
14 when they were notified?

15 MR. SEEGULL: Objection. Mischaracterizes
16 the testimony. But go ahead.

17 A. I understand that's their complaint.

18 Q. I'm just trying to get your understanding. I'm
19 not trying to have you agree with me at this point.

20 Do you have an understanding of CSC's Human
21 Resources' policies?

22 A. I have an understanding of them, yes.

23 Q. Have you ever participated in drafting or
24 reviewing any of these policies prior to their



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1 implementation?

2 A. No.

3 Q. What about the AMIP program, do you have an
4 understanding of that program?

5 A. Yes.

6 Q. Do you have an understanding as to how it
7 works?

8 A. Yes.

9 Q. Can you give me an explanation as to how that
10 plan works?

11 A. Yes. Would you like me to do that now?

12 Q. Yes, please.

13 A. It's a management incentive program and it's
14 intended to incentivize selected members of the
15 management team to achieve certain performance criteria.
16 It's highly based on financial performance. So many of
17 the objectives are clearly related to the financial
18 objectives of the company and our shareholders.

19 Q. When you say "incentive," can you explain what
20 you mean by an incentive program?

21 A. It's something that's above and beyond our base
22 pay, our normal form of compensation, and it's intended
23 to do just that, to motivate behavior toward a certain
24 set of goals above and beyond what you might ordinarily



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1 do as part of your performance.

2 Q. Has this program been effective, in your
3 opinion?

4 A. Yeah, I think -- yeah, it certainly has served
5 the corporation to focus on areas from year to year as
6 priorities change.

7 Q. In your opinion, has the removal of individuals
8 from the program demotivated them?

9 A. Yeah. I would say that, if someone has been on
10 the program and they are taken off, depending on the
11 circumstances around that, it certainly could demotivate
12 them. Sometimes if an employee is changing job
13 assignments, that's something that comes with the
14 different job assignments. So it might not demotivate in
15 that case.

16 Q. As far as demotivation goes, would a decline in
17 productivity be considered demotivation, in your opinion?

18 MR. SEEGULL: Objection. Hypothetical,
19 calls for speculation.

20 MR. WILSON: You can answer, ma'am.

21 MR. SEEGULL: If you can answer that
22 question, go ahead and answer it.

23 A. I don't know that the two are related.

24 Q. When you say demotivate the employees, what



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1 would be the possible outcomes, in your opinion, of the
2 demotivation?

3 A. I think people just aren't as enthusiastic
4 about their jobs as they might have been otherwise. That
5 doesn't -- depending on the individual, that may or may
6 not translate into something observable in terms of their
7 work behavior.

8 Q. Fair enough. Were you involved in the
9 transition of the DuPont employees to CSC in 1997?

10 A. No.

11 Q. Were you aware that there was this transition?

12 A. Yes.

13 Q. Were you aware of any of the specifics of the
14 transition; in other words -- let me ask a better
15 question.

16 Were you aware of their compensation
17 packages, what the makeup of their compensation packages
18 was?

19 A. Not in any detail, no.

20 Q. Are you aware that their compensation packages
21 were set up to roughly mirror how they were being
22 compensated at DuPont?

23 A. Yes.

24 MR. SEEGULL: Objection. Go ahead, you can

1 answer.

2 THE WITNESS: I was aware that it was
3 different than the CSC standard package and it mirrored,
4 to a large extent, what they had received in DuPont.

5 Q. Are you aware that the awarding of these
6 individuals the AMIP bonus program was to compensate for
7 the bonus program that they had at DuPont?

8 MR. SEEGULL: Objection. Calls for
9 speculation.

10 MR. WILSON: You can answer, ma'am.

11 A. I actually don't know that I made that
12 connection.

13 Q. Were you aware that these employees were
14 eligible for a bonus at DuPont?

15 A. I didn't have any visibility -- any individual
16 employees? I was aware that the DuPont employee base had
17 a different, I guess, bonus scheme than CSC did. But I
18 really wasn't aware of any details around that.

19 Q. Were you aware that giving these technical
20 employees the AMIP -- making them eligible for the AMIP
21 bonus program was an exception to the normal parameters
22 of the AMIP program?

23 MR. SEEGULL: I'm going to object. Can you
24 read that again or rephrase it?



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1 MR. WILSON: Could you read it back?

2 (The reporter read back as instructed.)

3 MR. SEEGULL: Objection. Lack of
4 foundation. Did you hear the question?

5 THE WITNESS: Was I -- I think I heard the
6 question.

7 MR. SEEGULL: You can answer it.

8 A. I was aware that was different.

9 Q. How so?

10 A. I think it's hard to recall way back then, but
11 I was aware that it went deeper in terms of the number of
12 employees who were eligible, and I think I was also aware
13 that the payout was more generous.

14 Q. Did you know why it went deeper?

15 A. It was because we were at that time wanting to
16 retain the employees that formerly worked for DuPont.
17 That was around 1994, if I remember right. '96 or '94.
18 '96. Must have been '96. So we were very interested in
19 retaining those employees and so we wanted to make sure
20 we did what we could to do just that.

21 Q. Is it fair to say that it was used as an
22 incentive to get these employees to accept employment at
23 CSC?

24 MR. SEEGULL: Objection. Speculation. She



Mary Jo Morris

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1 already testified she wasn't involved.

2 MR. WILSON: I'm asking her understanding.

3 MR. SEEGULL: She said she wasn't involved
4 in the DuPont transition.

5 MR. WILSON: You can answer the question,
6 ma'am.

7 A. I was certainly aware and understood that we
8 were trying to retain these employees and that to do that
9 we deviated from the standards of the compensation
10 package. I was not aware of the specifics or the
11 details. I had some cursory knowledge of that which I
12 have indicated, but I didn't have a detailed
13 understanding of exactly how it differed.

14 Q. Are you aware that, for these particular
15 employees from DuPont, their AMIP bonus compensation is
16 calculated into their pensionable earnings?

17 A. I have no understanding of that.

18 Q. Do you know how long CSC's had the AMIP
19 program?

20 A. I don't know. I know since I joined the
21 company that it existed.

22 Q. Does the AMIP program follow the CSC fiscal
23 year?

24 A. Yes, it does. I should say that the objectives

1 as defined in the program, the performance objectives,
2 are aligned around the performance.

3 Q. Why is that?

4 A. Because they're multiply financially based, as
5 I indicated before. To have an assessment of what the
6 financial performance is, you have to align it around the
7 fiscal year.

8 Q. Would contributions from each eligible
9 employee -- would contributions from the entire year
10 ultimately contribute to the bottom line as calculated at
11 the end of the year?

12 A. I don't think -- you mean each --

13 MR. SEEGULL: You need him to repeat the
14 question?

15 THE WITNESS: Yes. I don't think I quite
16 understand it.

17 Q. Let me see if I can ask it in a clearer way.

18 You testified that the AMIP program is
19 based upon the fiscal year because it's financially
20 driven. The employees who are eligible for the AMIP
21 program, do their contributions throughout the entire
22 fiscal year contribute to the bottom financial
23 calculations at the end of the year?

24 A. But it's fairly black and white. At the end of

1 the fiscal year, if they match the financial criteria set
2 up in their plan, they're paid the bonus, and if they
3 aren't, they may be paid a part or none of the bonus.
4 Depending on the plan that they're on.

5 Q. Things they do throughout the entire fiscal
6 year contribute to whether they meet their goal or not,
7 correct?

8 A. Well, all year long they're working towards
9 making that goal, that's correct. But they don't know --
10 we don't know if they have achieved the goal right until
11 the end of the year.

12 Q. I understand. Thank you.

13 An individual who is eligible to receive a
14 bonus at the end of the fiscal year has to be
15 participating in the program during that fiscal year,
16 correct?

17 A. Correct.

18 Q. And a person who is only in the program for a
19 portion of that year would have his bonus prorated,
20 correct?

21 A. Could you repeat that, please?

22 Q. A person who's only participating in the AMIP
23 program for a portion of the fiscal year would only get a
24 portion of his bonus, correct? He wouldn't get a full



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1 bonus worth of -- for the whole fiscal year?

2 A. Yes. For the period that that employee was
3 participating would be prorated, yes.

4 Q. That pertains whether the person is added
5 during the fiscal year or removed during the fiscal year,
6 correct?

7 A. Certainly if they're demoted or added. And
8 that happens fairly frequently. Or moved into a position
9 which AMIP eligibility is established and then they would
10 be added or prorated. If an employee changes assignments
11 during the year, you could have a situation where they
12 were eligible under one AMIP set of objectives for part
13 of the year and another set of objectives for the latter
14 part of the year. In that sense, it is prorated.

15 Employees removed -- I'm having trouble
16 thinking of too many cases where employees are removed
17 from the program and paid a bonus.

18 MR. WILSON: Larry, I'd like her to look at
19 a document A that's D-10372 through 10382.

20 MR. SEEGULL: Are we going to mark this as
21 Morris 1?

22 (Morris Deposition Exhibit No. 1 was marked
23 for identification.)

24 MR. SEEGULL: I put it in front of her.

1 You want her to focus on something specific?

2 MR. WILSON: Yes. Certainly she's entitled
3 to read the whole document, but the part that I'm going
4 to focus on here initially is on page 8 of this document
5 which is D-10379 at the bottom. The section's entitled,
6 "Eligibility For All Incentive Compensation Programs."
7 Over to the next page where it says "FY2003 Payout
8 Potential for Eligible Employees," I'm going to focus on
9 the area in between those two headings.

10 THE WITNESS: I have read down to "FY2003."

11 BY MR. WILSON:

12 Q. You see at the top of that page, page 9, where
13 it says "Payout"?

14 A. Yes.

15 Q. Under the second bullet point it says,
16 "Chemical Group employees who transition to any business
17 unit within CSC will receive a pro-rated payout from the
18 Chemical Group at time of award payment based on the time
19 period of contribution to Chemical Group business
20 objectives."

21 Is that what that says?

22 A. That's what that says.

23 Q. It doesn't say anywhere in that bullet point or
24 anywhere in this section that the person has to transfer



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1 to another division and remain eligible in the AMIP
2 program, does it?

3 MR. SEEGULL: I'm going to object. It
4 speaks for itself.

5 MR. WILSON: You can answer the question,
6 ma'am.

7 MR. SEEGULL: Are you asking her to read
8 it?

9 MR. WILSON: I'm asking her if it says
10 that.

11 MR. SEEGULL: If it says what exactly?

12 MR. WILSON: What I just said.

13 THE WITNESS: You have to repeat it now.

14 MR. WILSON: Can you read that back,
15 please?

16 (The reporter read back as instructed.)

17 MR. SEEGULL: I'm still not following you,
18 Tim.

19 MR. WILSON: In order to remain --

20 MR. SEEGULL: Let me just finish. Are you
21 asking her to read whether or not the words you just said
22 are in here?

23 MR. WILSON: She testified she wasn't sure
24 what would happen if somebody transferred out and they

1 didn't go to another program and remain AMIP-eligible.

2 MR. SEEGULL: I think that mischaracterizes
3 her testimony. That's not what she said at all.

4 BY MR. WILSON:

5 Q. Is that what you testified, ma'am?

6 A. No, I don't remember saying that.

7 Q. Does an employee have to remain AMIP-eligible
8 to receive the AMIP at the end of the year if he's
9 removed from one AMIP program?

10 MR. SEEGULL: Objection. Vague and
11 ambiguous.

12 THE WITNESS: I'm trying to understand what
13 he's asking me.

14 BY MR. WILSON:

15 Q. I'm trying to find out does the person have to
16 be in the AMIP bonus program at the end of the fiscal
17 year in order to receive an AMIP bonus payout.

18 A. Yes, they have to be in the program to receive
19 it.

20 Q. At the end of the fiscal year.

21 MR. SEEGULL: Objection. Asked and
22 answered. Go ahead, you can answer again.

23 THE WITNESS: I'm trying to understand
24 exactly what he's asking me.



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1 Are you asking me if there are situations
2 where an employee could be eligible within the year but
3 not in the program at the end of the year and still be
4 paid?

5 MR. WILSON: Yes.

6 THE WITNESS: That's what he's asking me?

7 MR. SEEGULL: That's what he's asking you.

8 THE WITNESS: There are probably some
9 circumstances where an employee was in the program for
10 part of the year but isn't in the program at the end of
11 the year. For instance, if an employee retires during
12 the year, they could -- I think there's some opportunity
13 depending on the circumstances. It's probably not a
14 usual situation. It's not often that certainly that kind
15 of situation comes across my desk. And the program
16 really is paid at the end of the year based on -- I guess
17 really based on the pleasure of CSC and their evaluation
18 of how their employee performed against those objectives.

19 BY MR. WILSON:

20 Q. Is there anything in this section --

21 MR. SEEGULL: She's not finished her
22 answer.

23 THE WITNESS: For an employee to be
24 eligible in the program during the year, I mean, there's



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1 a process that we go through so that an employee knows
2 what they're expected to do with respect to the AMIP
3 program.

4 BY MR. WILSON:

5 Q. Are you finished?

6 A. It's not just implied. I can also give you
7 examples where employees have been in the program during
8 some part of the year were not eligible at the end of the
9 year and not get a payment.

10 Q. Is there anything in that section that says
11 "Payout" that says that you have to be in the program at
12 the end of the fiscal year in order to get your bonus?

13 MR. SEEGULL: This is where I have a
14 problem. It's one thing if you ask her about her
15 personal knowledge. I have no problem with that. Now
16 you're asking her what the document says. The only thing
17 she can say is that if she reads the document and says
18 that's what it says.

19 MR. WILSON: She doesn't have to read it
20 into the record, but she can answer my question.

21 MR. SEEGULL: I'm not sure if you're
22 asking -- why don't you tell her the exact words you're
23 asking if they're in there.

24 MR. WILSON: I did ask the question.



1 BY MR. WILSON:

2 Q. Is there anything in this section that says an
3 employee must be in the program at the end of the fiscal
4 year in order to receive his bonus?

5 A. I'm just reading these things here. In the
6 following section it says, "All incentive/variable
7 compensation programs are reviewed annually and may be
8 modified or discontinued based on the Chemical Group's
9 financial capability and business requirements." And
10 also above that it says participation is reviewed each
11 year.

12 I guess it did -- it does kind of get, I
13 think, to the question you were asking.

14 Q. Are you testifying that it does say that, that
15 you have to be in the program at the end of the fiscal
16 year?

17 MR. SEEGULL: Tim, she just gave you an
18 answer.

19 MR. WILSON: I'm not so sure that she did.

20 MR. SEEGULL: She did. You may not have
21 liked the answer, but she did give you the answer.

22 BY MR. WILSON:

23 Q. Is that what your testimony is, that somebody
24 must be in the program at the end of the fiscal year?

1 MR. SEEGULL: You can answer again.

2 Objection. Asked and answered. Go ahead, you can answer
3 again. You can answer again.

4 A. I guess not necessarily. They don't
5 necessarily have to be, but it is -- that is usually the
6 condition.

7 Q. Do you know where that's stated? Is there a
8 policy that says that?

9 A. I do not know.

10 Q. If an employee is not in the program for the
11 full year, his bonus is prorated, correct?

12 A. Objection.

13 MR. SEEGULL: Objection. Why don't you
14 move on, since we covered this pretty well.

15 MR. WILSON: Larry, let me conduct the
16 deposition how I want to. Okay?

17 MR. SEEGULL: You're mischaracterizing her
18 testimony.

19 MR. WILSON: I'm not mischaracterizing her
20 testimony. I'm asking her questions.

21 MR. SEEGULL: We just spent 25 minute going
22 through that very question and then you try to summarize
23 it with one question that's contrary to what she just
24 testified to.

1 MR. WILSON: You can answer the question,
2 ma'am.

3 THE WITNESS: You're going to have to
4 repeat it again.

5 MR. WILSON: Could you repeat it?

6 THE WITNESS: I can't remember what it is,
7 either.

8 (The reporter read back as instructed.)

9 MR. SEEGULL: Objection. Mischaracterizes
10 the testimony, asked and answered repeatedly. Go ahead,
11 you can answer again.

12 A. I guess not under all circumstances.

13 Q. In the circumstances that it is prorated, what
14 is the basis of the proration?

15 A. The number of months eligible.

16 MR. WILSON: I think I'm done with that
17 document.

18 Q. Ms. Morris, is the participation in the program
19 supposed to be evaluated annually?

20 A. Yes.

21 Q. When is the evaluation to occur?

22 A. My experience is that generally that evaluation
23 occurs between really sometime after the end of the prior
24 fiscal year and that it often extends -- there's kind of



1 no end date, but that evaluation period really can occur
2 any time over the following year, but generally it occurs
3 within the first, I don't know, four, five, six months.

4 Q. Are managers or directors supposed to have a
5 conversation with their employees as to their eligibility
6 for the program?

7 A. Yes. And there should be a signed document,
8 actually, that confirms that eligibility.

9 Q. When does that take place?

10 A. As I said before, it's sometime after the start
11 of the new fiscal year and, in my experience, has
12 extended as far out usually four to six months after.

13 Q. During those four to six months, how are the
14 employees supposed to know they're eligible?

15 A. I guess they can, say, talk with their
16 management if they have concerns about that to understand
17 exactly what's going on with the program.

18 Q. If someone's added to the program, are they
19 notified immediately?

20 MR. SEEGULL: Objection to the phrase
21 "immediately."

22 BY MR. WILSON:

23 Q. Within a short period of time, in your
24 experience, Ms. Morris?

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1 A. If they're added to the program? Well, often
2 there's a lag there.

3 Q. What's the cause of the lag?

4 MR. SEEGULL: Objection. Speculation,
5 hypothetical.

6 MR. WILSON: If she knows.

7 MR. SEEGULL: It depends. Every situation
8 is different, but go ahead, you can answer.

9 MR. WILSON: She never testified to that,
10 Larry.

11 MR. SEEGULL: Go ahead, you can answer.

12 A. I think it's probably a combination of
13 circumstances. These things go through an internal
14 approval process and then they have -- they go through
15 corporate, they go through HR, and then they go through
16 the business unit and then they have to flow down to the
17 management team or manager that actually owns the
18 employee. So often that takes a while.

19 Q. When somebody's added, are they added at the
20 time that they're notified or are they added at some
21 point prior to their notification?

22 MR. SEEGULL: Objection. Hypothetical,
23 calls for speculation.

24 MR. WILSON: You can answer, ma'am.

1 A. Again, I think it depends. In most cases we --
2 I guess it depends, but in most cases we obviously try to
3 get the timing down so it coincides with the assignment
4 for which they're now AMIP-eligible.

5 Q. Are you aware of any instance, any specific
6 instance, where a person was notified that he was
7 eligible and his eligibility went back in time?

8 A. Yeah, I can probably think of some
9 circumstances --

10 Q. Okay.

11 A. -- where they were notified four months into
12 the fiscal year and eligibility went back to the start of
13 the fiscal year.

14 Q. Okay. Can you name them?

15 A. Not off the top of my head.

16 Q. Once an individual is deemed eligible for the
17 AMIP bonus, his or her participation continues until
18 they're notified that they're no longer entitled to
19 participate, correct?

20 MR. SEEGULL: Objection. Mischaracterizes
21 the record.

22 MR. WILSON: You can answer, ma'am.

23 A. I'd say that is not my understanding of the
24 program; that, in fact, eligibility is reviewed from year

